

**SMALL GROUP (2-25) HEALTH BENEFIT PLAN
(MAJOR MEDICAL COVERAGE) CHECKLIST
(ICARE Program)**

- () Read cover letter to see what type of filing it is. Insurance, trust, state of origin; is group eligible? Are policy and certificate both included? Application, endorsements, riders, etc.?
- () Review with General Health Insurance Policy Checklist
- () Review with Checklist for Internal/External Grievance and Appeals.

Mandatory Provisions/Benefits

The following provisions must appear. If they do not, check the statute to be sure it applies to the type of policy being reviewed.

- () KRS 304.18-030(1) Representations - not warranties
- () KRS 304.18-030(2) Summary of benefits provided
- () KRS 304.18-030(3) Additional new enrollees allowed
- () KRS 304.18-032 Newborn children covered from moment of birth. Notice of birth and premium payment may be required within 31 days of birth in order to continue coverage beyond 31 days if payment of premium is required to add a child.
- () KRS 304.17A-139 Requires automatic newborn coverage for necessary care and treatment of medically diagnosed congenital defects and birth abnormalities for 31 days.
- () KRS 304.17A-140 Legally adopted children or guardian
- () KRS 304.17A-702 Clean claims reimbursed, denied or contested within 30 calendar days
- () KRS 304.18-110 Continuation
- () KRS 304.18-114 Conversion; terms of conversion, notice
- () KRS 304.18-120 Minimum requirements \$500,000 Lifetime Maximum
- () 806 KAR 17:260
- () Bulletin 86-8 COBRA continuation to be addressed when applicable
- () KRS 304.18-126 Policies to provide reasonable extension of benefits
- () KRS 304.18-127 Liability of succeeding insurers

- () KRS 304.17A-148 Diabetes coverage

- () KRS 304.17A-220 If pre-existing condition clause is used the following cannot be considered as a pre-existing condition:
 - () KRS 304.17A-220(8)(d) (a) genetic testing information
 - () KRS 304.17A-155 (b) domestic violence
 - () KRS 304.17A-220(8)(c) (c) pregnancy
 - () KRS 304.17A-220(8)(a)(b) (d) Newborns/adopted/guardianship children should not have pre-existing condition exclusion if coverage is applied for within 30 days.
 - () KRS 304.17A-220(2)(a) (e) Pre-existing condition definition with 6-month lookback provision
 - () KRS 304.17A-220(2)(b) (f) Pre-existing condition no longer than 12 months
 - () KRS 304.17A-220(2)(b) (g) Pre-existing condition no longer than 18 months for late enrollee

- () KRS 304.17A-200 Guarantee issue for small group (Large group, small group or association group cannot use the criteria in subsection (1)(a) through (1)(h) as a basis for eligibility for individuals in the group)

- () KRS 304.17A-220(4)(f) Credit for prior coverage provided there is no more than a 63-day break in coverage

- () 806 KAR 17:160 Certification of prior coverage
- () KRS 304.17A-220(9)

- () KRS 304.17A-220(10)(c) Special enrollment period defined

- () KRS 304.17A-220(6)(d,e) Late enrollee provision

- () KRS 304.17A-220(6)(b) Enrollment date definition (First day of coverage, or if there is a waiting period, the first day of the waiting period)

- () KRS 304.17A-240(2) Guarantee renewal of health benefit plans except for:
 - (a) Failure to pay premiums or contribution;
 - (b) Fraud or intentional misrepresentation of material fact;
 - (c) Intentional and abusive noncompliance with material provisions of plan;
 - (d) Insurer ceasing to offer coverage in the individual or group market;
 - (e) For individual network plans, individual no longer resides, lives, or works in service area, for group network plans there is no longer any employee who resides, lives or works in the service area;
 - (f) Membership of individual or employer in a bona fide association ceases;
 - (g) Group no longer meets participation requirements or contribution requirements established by insurer.

- () KRS 304.17A-240(3) Notice of Discontinuation:
 (a) 90-day prior notice and offer of other coverage when a type of plan is discontinued
 (b) 180 days' notice and 5-year ban from new sales when all plans are discontinued and not renewed
- () KRS 304.17A-250(7) Health Benefit Plans must coordinate benefits – **Must use**
 () 806 KAR 18:030 **benefit reserve**
- () KRS 304.17A-250(6) Hospice coverage at least equal to Medicare benefits (exempt for HSAs)
- () KRS 304.17A-257 Mandated coverage for colorectal cancer detection
- () KRS 304.17A-540 (1) Limits for treatments, procedures, drugs or devices to be defined and disclosed in the policy or certificate
 (2) Standards for denial letters
- () KRS 304.17A-505 Disclosure of covered services, restrictions or limitations, financial responsibility of covered person, prior authorization requirements or any review requirements with respect to covered services, where and how services may be obtained, changes in covered services, covered person's right to appeal and procedures for appeal and measures to ensure confidentiality of the relationship between an enrollee and a health care provider
- () KRS 304.17A-510(1)(d) A statement regarding the effect on the enrollee of any hold harmless agreement must be included in the policy. Description of and limitation to enrollee liability
- () KRS 304.17A-535(4) Insurers must have an exception policy for plans that restrict pharmacy benefits to a drug formulary (Applicable to closed formulary).
- () KRS 304.17A-505(j) Must make available upon request a complete formulary
- () KRS 304.17A-165 Override provision for refill of drug prior to expiration of supply
- () KRS 304.17A-245 Cancellation Requirements:
 (1) Requires 30 days advance written notice of cancellation;
 (2) Cancellation for non payment of premium effective to last day through which premium was paid;
 (3) Provide notice of right to conversion within 15 days following end of grace period for each group member;
 (4) Automatic termination provision for non payment of premium;
 (5) Return of unearned portion of premium paid;

(6) The coverage continues if 30 days notice is not provided;
 (7) Must include reinstatement policy in event of cancellation due to non payment of premium. Reinstatement may not be denied on any health-related factor listed in KRS 304.17A-200 or on consideration of medical loss ratio.

- () HIPAA Mental Health Parity (cannot put maximum limits on mental health coverage in large groups). Mental health offering if elected is more comprehensive than HIPAA
- () KRS 304.17A-661 Mental health coverage must be covered the same as physical health if mental health is covered.
- () KRS 304.17A-171 Chiropractic benefits
- () KRS 304.17A-145 Maternity hospital stay requirements
- () KRS 304.17A-275 Coverage required for osteopaths.
- () KRS 304.17A-175 Co-payment/co-insurance for optometrist or chiropractor same as physician or osteopath
- () KRS 304.18-095 Definition of doctor to include optometrists, osteopaths,
 () KRS 304.18-097 physicians, chiropractors, and dentists
- () KRS 304.18-098 Mammography screening
- () KRS 304.17-316(2)(b) Expanded mammogram coverage for people at any age if that person has been diagnosed with breast cancer.
- () KRS 304.17A-005(19) Add to provider definition (pharmacist, podiatrists, physicians assistant as defined in KRS 311, nurse practitioner as defined in KRS 314, or any other health care practitioner as determined by the Cabinet for Health and Family Services).
- () KRS 304.17A-500(4) Definition of emergency medical condition cannot conflict with or be more restrictive than the statute allows.
- () KRS 304.17A-580(2) Emergency medical condition: Prudent person rule and it must be based on presenting symptoms.
- () KRS 304.17A-643(2) Special circumstances when the insured can have continued care with a same provider even though the provider is no longer participating. Treating provider must make the request with concurrence with the covered person. (Must inform insureds of when they can have continuity of care)

- () KRS 304.17A-647(2) A female shall be covered by an obstetrician or gynecologist for an annual Pap smear performed by an obstetrician or gynecologist without a referral from a PCP
- () KRS 304.17A-200(3)(a) Guarantee issue for small group.
- () KRS 304.17A-243 Must include a grace period provision.
- () KRS 304.17A-096(1) Home health care, KY* (60 visits) N/A if at least 60 visits are already covered in the contract

Mandated Offerings

- () KRS 304.17A-256 Dependent Coverage, KY*
 (1) dependent coverage until age 19 and coverage from 19 to 25 for a full-time student; or
 (2) coverage until age 25 for unmarried dependents
**** There must be a disclaimer as to tax implications**
- () KRS 304.18-036 Mental Illness, KY* (same as physical)
- () KRS 304.18-130 through 18-180 Alcoholism, KY* -N/A if coverage meets or exceeds required coverage in the contract
- () KRS 304.17A-134(1)(a) Breast reconstruction; Mastectomy coverage cannot be required on an outpatient basis.
- () KRS 304.18-0983
- () Labor Law Maternity coverage for employer groups with eight or more employees

*Applicable only to contracts issued and delivered in KY.

Optional Provisions

- () KRS 304.17A-258 Coverage must be provided for therapeutic food, formulas, supplements, and low-protein modified food products for treatment of **inborn errors of metabolism or genetic disorders** if prescription drugs are covered. Benefits will have a cap of \$25,000 per year for therapeutic food, formulas, and supplements. Low-protein modified foods will have a separate cap of \$4,000 per year. **Each cap shall be subject to annual inflation adjustments based on the Consumer Price Index (CPI).**
- () KRS 304.17A-138 Coverage for telehealth services
- () KRS 304.17A-131 Cochlear implants coverage

() KRS 304.17A-143	Autism coverage
() KRS 304.18-035	Coverage at ambulatory surgical centers
() KRS 304.17A-135	Breast cancer coverage (ABMT)
() KRS 304.18-0985	
() KRS 304.18-0363	Coverage for services of licensed psychologist or licensed clinical social worker within the policy limits.
() KRS 304.18-0365	Coverage for TMJ
() KRS 304.18-095	Coverage provided for services performed by podiatrists
() KRS 304.17A-146	Insurers covering first assistance benefits will provide coverage for a registered nurse first assistant (provided they are acting in the scope of their license).
() KRS 304.18-147	Coverage for surgical first assisting or intraoperative surgical care will include services performed by certified surgical assistant
() KRS 304.17A-1473	Coverage will be provided for service of a physician assistant if coverage is provided for surgical first assisting or intraoperative surgical care benefits or services
() KRS 304.17A-149	Requires coverage for payment of anesthesia and hospital or facility charges in connection with dental procedures for children below the age of 9, persons with serious mental or physical conditions, and persons with significant behavioral problems, in all health benefit plans that provide coverage for general anesthesia and hospitalization services.
() KRS 304.17A-132	Requires coverage for hearing aids and related services for persons under 18 years of age for the full cost of one hearing aid per impaired ear up to \$1,400 every 36 months
() KRS 304.18-033	Well newborn nursery care (five days or length of mother's stay) N/A if routine nursery care is already provided in the contract
() KRS 304.17A-134(1)(b)	Treatment of endometriosis and endometritis and
() KRS 304.17A-134(1)(c)	bone density testing
() KRS 304.18-097	Contracts covering services performed by dentist may cover such services when performed by physicians.
() KRS 304.18-050	Contract may provide for the adjustment of the premium rate based on anniversary

- () KRS 304.18-040 Payments may be made directly to the service provider;
- () KRS 304.18-090 however, it may NOT require services be rendered by a particular provider (806 KAR18:020)

- () KRS 304.17A-607(1)(h)(i) Timeframes for UR decisions.

- () KRS 304.14-230(1) The policy may be delivered by electronic transfer, by agreement between the insurer and the insured or the person entitled to receive the policy.

Prohibited Provisions

- () KRS 441.052 Coverage for incarcerated persons

- () KRS 304.12-013(5) Coverage for AIDS

- () KRS 304.12-250 May not exclude work-related conditions unless the claimant is eligible for benefits under any workers' compensation.

- () KRS 304.14-370 &
() KRS 304.14-380 Binding arbitration cannot be required. However arbitration can be an option for the insured.

- () KRS 304.17A-245(5) Insurers must return unearned premium. Insurers cannot state otherwise.

- () KRS 304.17A-641(1) For an insurer that requires prior authorization for post-stabilization treatment in an emergency care situation at a non-participating hospital, approval or denial shall be provided in a timely manner, but in no case to exceed two hours from the time request has been made and all relevant information provided. Failure to make a determination shall constitute approval.

- () KRS 304.17A-645 A PCP treating a person with a chronic, disabling, congenital or life threatening condition may authorize a referral to a participating non PCP specialist, up to 12 months or for the contract period, whichever is shorter.

- () KRS 304.5-160 Health insurance contracts cannot cover abortion except by rider.

- () KRS 304.17A-647 Insurers cannot prohibit a PCP from referring a covered person who is pregnant or has a chronic gynecological condition to a participating obstetrician or gynecologist for up to 12 months or for the contract period, whichever is shorter.

- () KRS 304.17A-150 (1) Anyone marketing insurance cannot encourage any

- consumer not to file an application for health insurance based on health condition
- (2) Insurers cannot encourage any consumer to apply for insurance with another carrier because of health status
 - (3) Insurers cannot encourage an employer to exclude an employee from coverage
 - (4) Insurers are prohibited from compensating any person marketing insurance on the basis of health status
 - (5) Insurers must compute the insured's coinsurance or cost sharing amount on the basis of actual amount received by a health care provider from the insurer

Checklist for PPO plans with insurers must also add information listed below in addition to the information provided on the group health (major medical) checklist above.

- () 806 KAR 18:020 Health insurers cannot offer contracts containing preferred provider arrangements where the difference between amounts payable for preferred provider and a non-preferred provider exceed 25 percent.
- () KRS 304.17A-520 Managed care plan shall provide access to a consultation with a participating provider for a second opinion.

